

**Work Plan No.:** A.13-01 BART A-Line Jobs Attraction Study

**Scope:**

### **3 Approach and Deliverables (Work Products)**

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#### **Task 0: Project Management and Project Controls**

Arup will provide project management and administrative support, including biweekly communications of 1/2-hour (1<sup>st</sup> meeting) and one-hour phone calls (2<sup>nd</sup> meeting) during the assumed 9-month duration and up to 9 in-person meetings with BART staff, project cost controls and reporting, and invoicing and progress reporting. Should the project run longer than 9 months due to factors beyond Arup's control, additional project management budget will be required.

Arup will provide TAC support and will attend up to 3 TAC meetings to answer questions. Arup is assuming that the cities will be responsible for their presentations.

*Task 0 Proposed Consultant Fee: \$30,000*

#### **Task 0 Deliverables:**

- Bi-weekly meetings of half and one hour long to inform BART on progress made, preliminary findings, challenges encountered and potential solutions.
- Meeting minutes within 2 business days from the meeting.

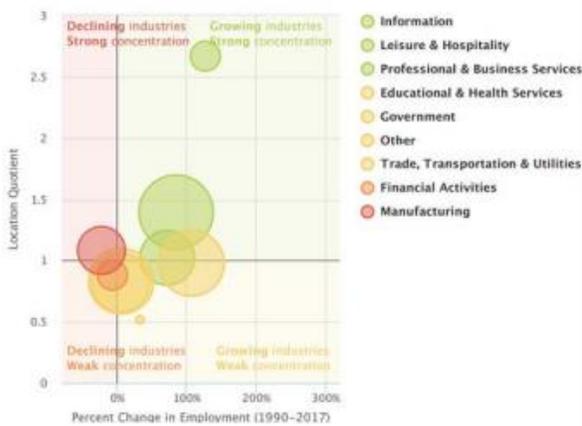
- Up to 3 TAC meetings
- Invoicing
- Monthly progress report

## Task 1: Employment Trends Assessment in the Bay Area and East Bay

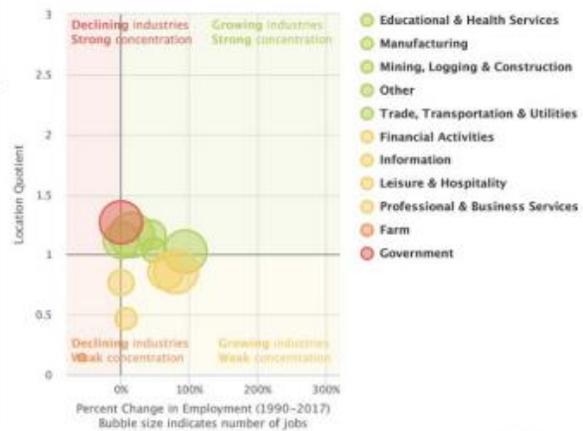
The first task will be to understand the employment trends in the Bay Area and the East Bay, particularly which sectors are growing and where these jobs like to locate.

We will look at employment trends and review multiple sources of information including the U.S. Bureau of Labor, California Employment Development Department (employment projections), the Bay Area Council Economic Institute, the East Bay Forward Report, among other sources, to understand the growing industries in the Bay Area and East Bay and the types of jobs with a high concentration in the region (location quotients).

2017 Industry Specialization Breakdown — Bay Area

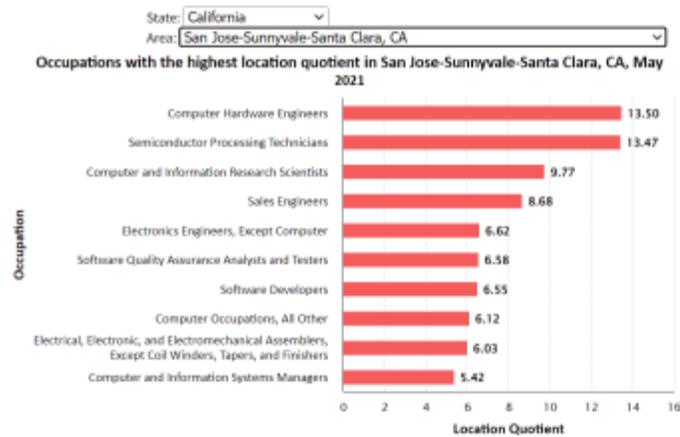


2017 Industry Specialization Breakdown — Alameda County



Source: Bureau of Labor Statistics

Charts of occupations with the highest location quotient in each area, May 2021



Next, we will conduct interviews with 5-8 stakeholders from the identified growing sectors to understand their real estate needs and what their location drivers are. Private sector interviewees will be determined based on the outcome of the growing sectors analysis. Interviewees may include tech companies, co-working space developers, ambulatory care companies, e-commerce (Amazon hubs, etc.), R&D, life science, incubators, among others.

Interviews will also be conducted with 3 real estate brokers that have experience in the East Bay, San Francisco, and the South Bay to understand the decision-making criteria of job-based end users use when searching for workspace. Some elements will be related to the location or built environment itself, while others will be related to their facilities' needs.

Location factors may include:

- Pool of talent/profile of the workforce
- Transportation network
- Services to their employees/walkability
- Placemaking/quality of public spaces
- Proximity to similar companies (agglomeration economies); example biotech in South San Francisco, information technology in San Francisco and the South Bay.
- Co-location needs- proximity to their own facilities
- Proximity to suppliers
- Access to markets

- Easiness/cost to start a business
- Government incentives

Facilities factors may include:

- New build or existing
- Desired control over design of building
- Entitlement process
- Privacy needs (i.e., willingness to share space)
- Parking needs
- Loading/delivery needs
- Employee's needs
- Sq. ft. needs by sector

For the broker interviews, we will discuss new and emerging trends related to job development and the rise of other types of facilities that support job growth and creation. We will also conduct interviews with BART TOD program staff to identify what activities BART has previously completed and what staff has learned to date regarding job-based users on the TOD sites.

Additionally, we will interview one or two brokers with experience in retail to understand the industry trends and the ability to create or accelerate “place making” where suitable within the context that walkability and proximity to retail and services has become a .

We will also interview the five cities (Oakland, San Leandro, Hayward, Union City, and Fremont) to understand their views on their respective:

- Economic development strategies and downtown economic reactivation plans. Place making is becoming an increasingly important location factor for companies.
- Job markets and real estate needs.
- Capital improvement plans and any other economic development or planning projects focused on the downtown that may attract new tenants and users to the city.

We will work to understand what the cities are doing and infusing the information from the brokers/private sector to understand what attracts job-based end users. We will discuss parking in the city and near the station and understand the appetite for reduced parking.

From all the interviews, we will understand the compatibility of interests to identify which locations stand out as most likely to hold jobs-oriented TOD.

*Task 1 Proposed Consultant Fee: \$45,000*

**Task 1 Deliverables:**

- Analysis memo summarizing the employment trends and growing sectors, and the findings from the interviews, including ranking of the decision-making criteria of finding new space as high, medium, and low importance.

**Task 2: Station Real Estate Supply Analysis and Jobs Concentration**

We will use CoStar data to analyze the commercial (jobs-based users) around the nine stations included in the study:

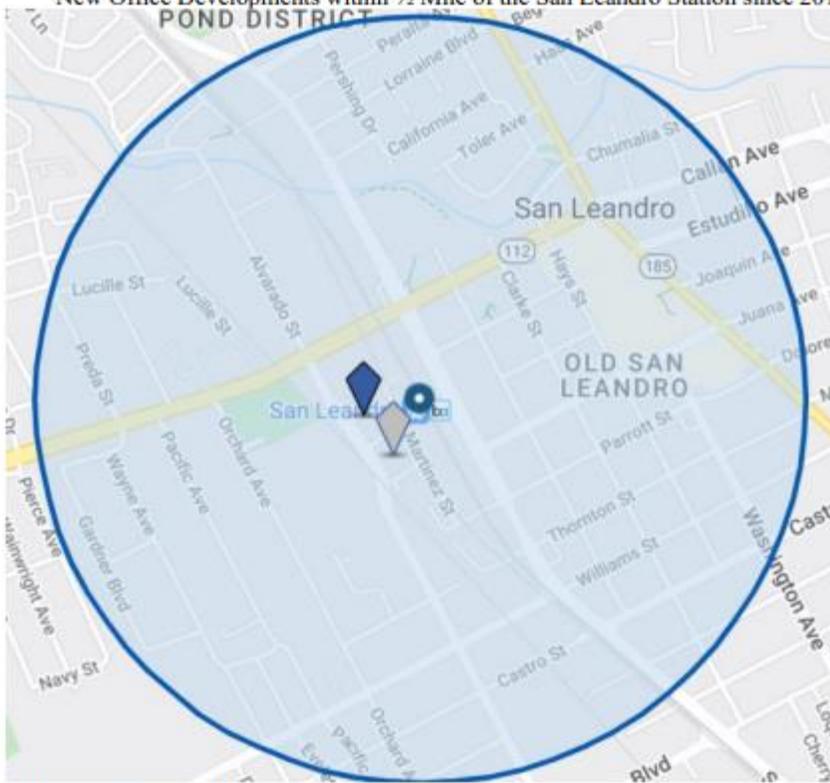
1. Fruitvale (Oakland)
2. Coliseum (Oakland)
3. San Leandro (San Leandro)
4. Bay Fair (San Leandro)
5. Hayward (Hayward)
6. S. Hayward (Hayward)
7. Union City (Union City)
8. Fremont (Fremont)
9. Warm Springs (Fremont)

For each BART station, we will determine the amount of jobs-based users square footage within a one half-mile radius of the station, specifically identifying:

- The total amount of commercial square footage
- The amount of commercial square footage by building class (Class A, Class B, Class C)
- The amount of commercial square footage that has come online in the last 10 years
- The average amount of parking that the commercial users provide
- Current and historical vacancy rates for commercial
- Any proposed or in construction commercial

An example of the type of information that we will be able to retrieve is showcased on following map: only two new office developments have come online within a half mile radius of the San Leandro Station since 2012.

New Office Developments within 1/2 Mile of the San Leandro Station since 2012



Source: CoStar, Arup

Next, we will review the tenant information to highlight the types of jobs in these existing developments, categorizing the users in the following groups:

- Traditional Office Users – Typically referred to as FIRE (finance, insurance, real estate)
- Tech Office Users
- Medical Office Users
- Government and Public Office Users
- Package hub locations/other e-commerce related facilities
- Bio-tech/Research and Development/ Labs
- Other commercial users

Understanding who is currently in the commercial markets around these stations will help to understand likely future users.

We will also conduct a commercial users study for the five cities (Oakland, San Leandro, Hayward, Union City, and Fremont) to understand the job centers in

these cities and see where they are located, to see whether first/last mile improvements could better connect the job centers to the station area. We will review the jobs data from the decade before COVID and will also look at post-COVID data to understand the existing market and users in these cities and determine overall trends.

We will need BART to provide the data and sizes of the BART owned parcels around each station.

We will gain an understanding of the local neighborhood and neighborhood context, as new commercial users may want to locate where their employees have services within walking distance (food, retail, etc.). Urban retail saw a significant decline in the downtown cores due to the lack of foot traffic from people working from home. At the same time, retail activity in the suburbs rose during the pandemic. With more people at home during the day, retailers in the suburbs saw their sales and foot traffic increase. This could mean that some BART locations or their vicinity may have become more attractive during the last years.

*Task 2 Proposed Consultant Fee: \$35,000*

**Task 2 Deliverables:**

- Market sheet of each station and the total existing, proposed, and in construction for commercial space in the city and within one half -mile radius around the station.
- Use analysis of the types of tenants and vacancy rates in the aggregate of the commercial developments.

**Task 3: Market Trends and Innovative Solutions**

For Task 3, we will review best practices case studies in jobs attraction and implementation in a handful of cities and specifically around transit. We will look at successful examples around the country to develop some “best practices” for implementation. We will identify best practices from areas with transit stations outside of the downtown core that previously saw commuters leaving the area for work, but now have seen an increase in the number of workers coming to that center for work (adjusted for COVID).

We will look for best practices around other non-traditional users of commercial space, to highlight any opportunities for innovative or flex space to be built on the TOD parcels. We will conduct research into other sectors of the market that promote job growth in other sectors, which may include multi-tenant market space, ghost kitchens, industrial spaces, package shipping and delivery associated with e-commerce, and other users of space that have grown in recent years. We will analyze other options for development on these TOD parcels, including looking at housing, retail, mixed-use developments, and other types of employment supported development.

*Task 3 Proposed Consultant Fee: \$35,000*

**Task 3 Deliverables:**

- Memo of best practices from other TOD stations and highlighting the economic development plans for the cities and identifying development trends in commercial markets compatible with BART's goal of attracting jobs.

**Task 4: Station and Corridor Market Analysis and Recommendations**

We will complete a job market analysis for the cities and stations and prioritize stations along corridor in terms of market readiness. We will highlight the actions that BART and the cities can take to prepare and attract a jobs-based end user. As part of the analysis, we will review:

- The types of job-based uses most adaptable to TOD designs (employer size, industry, new trends, etc.).
- Market shifts based on the pandemic and work remote and how TOD can capitalize on those trends.
- The compatibility on the goals of the cities and stakeholders to understand where cities objectives overlap with the employer's needs.
- The gaps that could potentially be overcome through policies implemented by BART and/or the cities the encourage the location of jobs.
- Developers' perceived bottlenecks when undertaking a TOD project with BART and the cities.

We will identify the criteria to rank the station areas and assess how they relate to the criteria used in the TOD workplan.

We will create an implementation strategy to apply to entire corridor, and station specific recommendations where applicable. The implementation strategy will leverage the East Bay Economic Development Alliance's 2021 East Bay Forward report.

We will identify the stations that should fall under near term potential, mid-term potential, and long-term potential for development, to help BART create a phasing plan. We also will include a test case scenario for one or two stations along the corridor to model an in-depth implementation plan.

*Task 4 Proposed Consultant Fee: \$50,000*

**Task 4 Deliverables:**

- Memo detailing the individual analysis for each station and overall conclusions about commercial development on the TOD sites along the A Line, including a profile for each of the 9 stations highlighting the strengths and opportunities for the station, and the likely users of the TOD site.
- Implementation Strategy for the corridor including specific recommendations to BART and the cities to streamline execution of real estate projects.
- Test case scenario for one station along the corridor of an in-depth implementation plan.

**Prime:** Arup

**Subconsultant:** None

**Work Plan Value:** \$195,000